STATE OF UTAH

OFFICE OF THE ATTORNEY GENERAL



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SECRETARY, BOARD OF OIL. GAS & MINING

MARK L. SHURTLEFF ATTORNEY GENERAL

RAYMOND HINTZE CHIEF DEPUTY Protecting Utah . Protecting You

KIRK TORGENSEN CHIEF DEPUTY

14 July 2009

Earl Martinez
Montezuma Well Service
P.O. Box 540
Montezuma Creek, UT 84534

Dear Mr. Martinez:

I have received your response to my letter dated June 15, 2009. The staff at the Utah Division of Oil, Gas, and Mining also received copies, and is currently reviewing it.

Due in part to the past failures of Montezuma and yourself to take actions required by the Division, the Division decided to proceed with the filing of the enclosed Request for Agency Action. The Request for Agency Action will be set for a formal hearing before the Board of Oil, Gas, and Mining on August 26, 2009. Please review the Request carefully. A written Response must be filed with the Board by August 10, 2009, and the corporate entity must be represented at the hearing by an attorney authorized to practice law in the State of Utah. The rules governing the hearing are found at R641 of the Utah Administrative Code.

Although the Division is ready to proceed with this hearing, its preference is to resolve Montezuma's compliance issues without a Board hearing and give Montezuma a chance to fully comply with the applicable regulations and Division Order from May 2008. The Division may be willing to continue (in other words, postpone) the Board hearing on its Request if the Montezuma can meet certain benchmarks in its compliance efforts. You should contact the Division within the next week and they will further explain what Montezuma must do in order to postpone the hearing.

If you have any questions, please contact myself at (801) 538-7227, or Clint Dworshak, Compliance Manager, at (801) 538-5280.

Sincerely,

Kevin L. Bolander

Assistant Attorney General

cc: Gil Hunt, Utah Division of Oil, Gas, and Mining; Sonja Wallace, Utah School and Institutional Trust Lands Administration (SITLA)